No. 23-____

IN THE

Supreme Court of the United States

HEARST NEWSPAPERS L.L.C. &
HEARST MAGAZINE MEDIA, INC.,

Petitioners,

v.

ANTONIO MARTINELLI,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

PETITION FOR WRIT OF CERTIORARI

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November 2, 2023

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QUESTION PRESENTED

Whether the "discovery rule" applies to the Copyright Act's statute of limitations for civil claims. 17 U.S.C. 507(b).

PARTIES TO THE PROCEEDING AND CORPORATE DISCLOSURE STATEMENT

Petitioners are Hearst Newspapers, LLC, and Hearst Magazine Media, Inc.

Pursuant to this Court's Rule 29.6, Hearst Newspapers, LLC, and Hearst Magazine Media, Inc. (together, "Hearst") state that they are both indirectly owned, in full, by the Hearst Corporation, a privately held company. No public company owns more than 10% of the Hearst Corporation's stock.

Respondent is Antonio Martinelli.

STATEMENT OF RELATED CASES

Pursuant to Supreme Court Rule 14, Hearst hereby states that there are no related cases.

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PETITION FOR WRIT OF CERTIORARI

Petitioners Hearst Newspapers, L.L.C. and Hearst Magazine Media, Inc. (together, "Hearst") respectfully submit this petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Fifth Circuit.

OPINIONS BELOW

The opinion of the court of appeals (App. 1a-25a) is reported at 65 F.4th 231. The opinion of the district court (App. 26a-31a) is unreported but available at 2022 WL 2542301.

JURISDICTION

The United States Court of Appeals for the Fifth Circuit entered judgment on October 2, 2023 after denying Hearst's petition for rehearing *en banc* on September 22, 2023. App. 32a-35a. This Court's jurisdiction is invoked under 28 U.S.C. 1254(1).

STATUTORY PROVISION INVOLVED

Section 507(b) of Title 17 of the United States Code provides:

> No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

STATEMENT

This case is a strong candidate for the Court's review. It concerns an important question that has led to a circuit split and inconsistent rulings, as lower courts apply a rule of accrual supported by neither the text of the statute of limitations nor this Court's precedent.

The question presented is whether the Copyright Act's statute of limitations for civil claims incorporates a so-called "discovery rule" that does not appear in the statute. The Court has, twice, left this question open, observing that it has never applied a discovery rule to the Copyright Act. See *SCA Hygiene Prods. Aktiebolag* v. *First Quality Baby Prods., LLC*, 580 U.S. 328, 336-38 (2017); *Petrella* v. *Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663, 670 n.4 (2014). This Term, the Court will consider a closely related question concerning available damages, over which the circuits are at odds. See *Warner Chappell Music, Inc.* v. *Nealy*, No. 22-1078.

But the circuit split at issue in *Warner Chappell Music* is the symptom—not the problem. This Court should fix the problem, which was not litigated below in *Warner Chappell Music*. *Hearst* v. *Martinelli* is the ideal vehicle to consider whether the discovery rule applies. This case should be considered together with *Warner Chappell Music*.

A. Legal Background.

"No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. 507(b). There is no discovery-accrual provision in this statute. This Court has never applied a discovery rule to copyright claims, either.

Yet the circuit courts, including the Fifth Circuit, apply an atextual discovery rule to copyright claims. That is, a claim does not accrue until "the plaintiff knows or has reason to know of the injury upon which the claim is based," according to the Fifth Circuit. App. 1a. The circuits continue to apply the discovery rule even after this Court stated, in *Petrella*, that an infringement claim "'accrues' when an infringing act *occurs*." 572 U.S. at 670 (emphasis added); see also *id.* at 671 ("[A]n infringement is actionable within three years, and only three years, of its occurrence.").

Lower courts are divided in their efforts to reconcile *Petrella* with their discovery rule precedent. The Second Circuit has held that, although the discovery rule applies, an infringement plaintiff may only recover damages from a three-year "lookback" period. *Sohm* v. *Scholastic Inc.*, 959 F.3d 39, 50 (2d Cir. 2020). The Ninth Circuit has rejected that limitation, while criticizing *Sohm* for, the Ninth Circuit wrote, effectively "eviscerat[ing] the discovery rule." *Starz Ent.,*

LLC v. *MGM Domestic Television Distrib., LLC*, 39 F.4th 1236, 1244 (9th Cir. 2022). The Eleventh Circuit recently sided with the Ninth. *Nealy* v. *Warner Chappell Music, Inc.*, 60 F.4th 1325 (11th Cir. 2023).

Warner Chappell Music is now before this Court: This Term, the Court will consider the "limited" question of whether, "*under* the discovery accrual rule applied by the circuit courts and the Copyright Act's statute of limitations for civil actions, 17 U.S.C. § 507(b), a copyright plaintiff *can recover damages* for acts that allegedly occurred more than three years before the filing of a lawsuit." Order, *Warner Chappell Music*, No. 22-1078 (Sept. 29, 2023) (emphasis added).

But in *Warner Chappell Music*, the defendants did not argue against the discovery rule in the courts below. Here, the defendants did.

B. The Stipulated Facts.

The parties stipulated to all material facts. And the facts are simple.

This copyright infringement case concerns the web-only use of photographs. Respondent Antonio Martinelli ("Martinelli") owns the copyright in seven photographs depicting the estate known as "Luggala" or the "Guinness Castle" (the "Photographs"). App. 2a.

Hearst Newspapers publishes the *Houston Chronicle* and the *San Antonio Express-News* and operates their associated websites, including Chron.com and MySA.com. App. 2a. Hearst Newspapers used the Photographs in a web-only news article that was posted to Chron.com on March 7, 2017, and to MySA.com on March 13, 2017, and which were viewable through other websites associated with Hearst Newspapers and its affiliates. App. 2a. Separately, on

March 14, 2017, Hearst Magazines[1] used four of the Photographs in a web-only news article on elledecor.com. App. 2a.

As stipulated, Martinelli discovered these uses by Hearst on various dates ranging from November 17, 2018 through May 28, 2020, and could not have, through reasonable diligence, discovered the uses before those dates. App. 2a-3a.

Due to the passage of time, Hearst was unable to locate any record of permission for these uses. And Hearst chose not to assert a fair use defense in this case. Thus, Hearst conceded it infringed Martinelli's copyrights in the Photographs through its volitional acts which caused displays on March 7-14, 2017. App. 3a; 17 U.S.C. 106(5).

Yet Martinelli did not file his original complaint in this action until October 18, 2021, naming Hearst Newspapers as a defendant. App. 3a. Hearst Magazines was added as a defendant in an amended complaint on February 11, 2022. App. 3a. The amended complaint asserts claims for direct copyright infringement (Counts I and II) and contributory copyright infringement (Count III), all arising from the above-described conduct to which the parties stipulated. To avoid the need for discovery on the issue of damages, the parties agreed that, if successful in this action, Martinelli would be entitled to recover a total of $10,000. App. 3a; see also 17 U.S.C. 504(b).

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[1] Though this use was made by Hearst Magazines' predecessor-in-interest, Hearst Communications, Inc. (which at the time published the *ELLE DECOR* magazine and elledecor.com through its magazines operating division), the parties agreed that Hearst Magazine Media, Inc. is the correct defendant.

As stipulated, Martinelli filed his original complaint (i) more than three years after Hearst used the Photographs, but (ii) less than three years after he discovered the infringements. Only one question remained for the lower courts to resolve: Were Martinelli's claims untimely under the Copyright Act's statute of limitations?

C. Procedural History.

In April 2022, Hearst moved for summary judgment, arguing Martinelli's claims were time-barred because they "accrued" when Hearst published the Photographs in 2017, more than three years before Martinelli filed his original complaint. App. 26a-27a. Martinelli moved for summary judgment at the same time, arguing that his claims were not time-barred because they did not "accrue" until he discovered the infringements, which was less than three years before he filed his original complaint. App. 26a-27a. Bound by Fifth Circuit precedent applying the discovery rule, the district court denied Hearst's motion, granted Martinelli's motion, and entered final judgment for Martinelli for $10,000. App. 28a-31a.

On April 13, 2023, the Fifth Circuit affirmed—but its opinion did not endorse the discovery rule. Rather, it simply followed the circuit court's rule of orderliness, reasoning that its prior precedent had not been "unequivocally overrule[d]" by recent Supreme Court precedent. App. 25a.

In fact, in its 23-page published opinion, the Fifth Circuit correctly observed that none of its precedent "explains *why* the discovery rule applies to a copyright infringement claim." App. 5a-6a (emphasis added). The one Fifth Circuit case that squarely applied the discovery rule to copyright infringement claims did not

"endors[e] the reasoning of [the two] out-of-circuit decisions" to which it cited, either. App. 8a.

The Fifth Circuit denied rehearing *en banc* on September 22, 2023. App. 32a-33a. Hearst now seeks this Court's review.

REASONS FOR GRANTING THE PETITION

"No civil action shall be maintained . . . unless it is commenced within three years after the claim accrued." 17 U.S.C. 507(b). "In common parlance a right accrues when it comes into existence." *Gabelli* v. *S.E.C.*, 568 U.S. 442, 448 (2013) (citation omitted) (interpreting a statute of limitations with the word "accrue"). This comports with the "natural reading" of the word "accrue," *ibid.*, and it is the "standard rule" against which "Congress legislates," see *Rotkiske* v. *Klemm*, 140 S. Ct. 355, 360-61 (2019) (citations omitted). For copyright infringement, the claim "comes into existence" when the act of infringement occurs.

Yet the Fifth Circuit, like other circuit courts, applies a judge-made discovery rule, holding that a claim does not accrue until the plaintiff discovers, or should have discovered, the infringement. The lower courts apply the discovery rule with little-to-no attention to this Court's case law. This "expansive approach to the discovery rule" is a "bad wine of recent vintage." *Rotkiske*, 140 S. Ct. at 360-61 (quoting *TRW Inc.* v. *Andrews*, 534 U.S. 19, 37 (2001) (Scalia, J., concurring in judgment)).

It is important for the Court to grant certiorari for several reasons. This case presents an alternative approach to resolving the conflict among the circuits that has erupted after *Petrella*, and which the Court is slated to consider this Term. See *infra* Point C. The

discovery rule leads to inconsistent and unpredictable rulings among the lower courts, contrary to Congress's intent. See *infra* Point D. This uneven application of the law is significant; over 1,000 copyright cases are filed annually,[2] and many are filed long after the alleged infringement occurred.

But at base, this Court should correct the lower courts. They have gone astray. Like its sister circuits, the Fifth Circuit has decided this important federal question in a way that conflicts with relevant decisions of this Court. See Sup. Ct. Rule 10(c). The Court should grant certiorari and hold that the discovery rule does not apply to the Copyright Act's statute of limitations for civil claims. See *infra* Points A, B.

A. The Meaning of "Accrue" and the Rejection of a Presumed Discovery Accrual.

When a claim "accrues." Over the last 26 years, this Court has issued a drumbeat of decisions instructing that a claim ordinarily "accrues" when a plaintiff has a complete and present cause of action, and rejecting a judicially presumed "discovery rule." They provide the framework for properly analyzing the Copyright Act's statute of limitations.

A starting point is *Bay Area Laundry & Dry Cleaning Pension Trust Fund* v. *Ferbar Corp. of California, Inc.*, 522 U.S. 192 (1997). It is "the standard rule that the limitations period commences when the plaintiff has 'a complete and present cause of action.'" *Id.* at 201 (citation omitted). Notably, for

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[2] See U.S. Courts, *Fed. Judicial Caseload Statistics 2022*, https://www.uscourts.gov/statistics-reports/federal-judicial-caseload-statistics-2022 (last visited Oct. 24, 2023) (1,345 copyright claims filed in the 12-month period ending March 31, 2022, a 42 percent increase from the prior 12-month period).

this statement, the Court relied on a case in which the statute of limitations at issue used the word "accrue," like that of the Copyright Act. *Ibid.* (citing *Rawlings* v. *Ray*, 312 U.S. 96, 98 (1941) (limitation period runs "after the cause of action shall accrue") (citation omitted)). "Unless Congress has told us otherwise in the legislation at issue, a cause of action . . . become[s] 'complete and present' for limitations purposes [when] the plaintiff can file suit and obtain relief." *Bay Area Laundry*, 522 U.S. at 201.

Four years later, in *TRW*, the Supreme Court applied these principles, adding that it had only ever adopted a discovery rule for statutes of limitations in the context of "fraud or concealment" or "latent disease and medical malpractice, where the cry for such a rule is loudest." 534 U.S. at 27 (citations, alterations, and quotation marks omitted); see also *Rotella* v. *Wood*, 528 U.S. 549, 555 (2000). Then, in 2005, the Court stated that "the default rule [is] that Congress generally drafts statutes of limitations to begin when the cause of action accrues," and "Congress legislates against the 'standard rule that the limitations period commences when the plaintiff has a complete and present cause of action.'" *Graham Cnty. Soil & Water Conservation Dist.* v. *United States ex rel. Wilson*, 545 U.S. 409, 418 (2005) (citation omitted).

The meaning of "accrue" and the rejection of a discovery rule collided in *Gabelli*. The Court held that the discovery rule does not apply to a statute of limitations that—like that of the Copyright Act—runs from the date on which the claim "accrue[s]." 568 U.S. at 445 (quoting 28 U.S.C. 2462 (claim must be brought "within five years from the date when the claim first accrued")). Among the Court's reasons was that—

again—the "standard rule" is that a claim accrues "when the plaintiff has a complete and present cause of action." *Id.* at 448 (citation omitted). That is "the most natural reading of the statute" because "[i]n common parlance a right accrues when it comes into existence." *Ibid.* (citation omitted).

Fast forward to *Rotkiske*, in 2019: To judicially graft a discovery rule onto a statute of limitations where none appears would be inconsistent with "a fundamental principle of statutory interpretation that absent provision[s] cannot be supplied by the courts." 140 S. Ct. at 360-61 (citation and quotation marks omitted). In rejecting the discovery rule for the statute at issue in that case, the Court criticized "read[ing] in a provision stating that [the applicable] limitations period begins to run on the date an alleged . . . violation is discovered," where Congress has declined to include such language itself. *Ibid.* Such an "expansive approach to the discovery rule" is a "bad wine of recent vintage." *Ibid.* (quoting *TRW*, 534 U.S. at 37 (Scalia, J., concurring in judgment)).

This quotation is as significant as it is colorful. In his *TRW* concurrence, Justice Scalia argued that the Court should reject a general presumption in favor of the discovery rule. Such a presumption, which has never been adopted by this Court, usurps Congress's role, which legislates against the "backdrop rule" that a claim "accrues" once a plaintiff has a complete and present cause of action. 534 U.S. at 35-39.

Eighteen years later, in *Rotkiske*, the Court employed the same reasoning, cited with approval Justice Scalia's concurring opinion, and affirmed a ruling of the Third Circuit that "there is no default presumption that all federal limitations periods run from the date of discovery." 140 S. Ct. at 359. Though *TRW* had left

open the question of whether "all federal statutes of limitations . . . incorporate a general discovery rule unless Congress has expressly legislated otherwise," *TRW*, 534 U.S. at 27 (citation and quotation marks omitted), that question was answered by *Rotkiske*: There is no such presumption.

And of course, when Congress wants the statute of limitations to run from the date of discovery, it knows how to draft such a statute. It has done so. Many times.[3] But not for the Copyright Act.

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[3] See, *e.g.*, 12 U.S.C. 3416 ("An action to enforce any provision of this chapter may be brought in any appropriate United States district court without regard to the amount in controversy within three years from the date on which the violation occurs *or the date of discovery of such violation, whichever is later*." (emphasis added)); 15 U.S.C. 77m ("No action shall be maintained to enforce any liability created under section 77k or 77*l*(a)(2) of this title unless brought within one year *after the discovery of the untrue statement or the omission, or after such discovery should have been made by the exercise of reasonable diligence* . . . ." (emphasis added)); 15 U.S.C. 1681p ("An action to enforce any liability created under this subchapter may be brought . . . *not later than the earlier of*—(1) *2 years after the date of discovery by the plaintiff* of the violation that is the basis for such liability; or (2) 5 years after the date on which the violation that is the basis for such liability occurs." (emphasis added)); 18 U.S.C. 1030(g) ("No action may be brought under this subsection unless such action is begun within 2 years of the date of the act complained of *or the date of the discovery of the damage*." (emphasis added)); 42 U.S.C. 9612(d)(2) ("No claim may be presented under this section for recovery of the damages referred to in section 9607(a) of this title unless the claim is presented within 3 years after the later of the following: (A) *The date of the discovery of the loss and its connection with the release in question*. (B) The date on which final regulations are promulgated under section 9651(c) of this title." (emphasis added)); 50 U.S.C. 4611(k)(3) ("An action under this subsection shall be commenced not later than 3 years after

Petrella. In describing the Copyright Act's statute of limitations, the Court in *Petrella* stated that a claim "accrue[s] *when an infringing act occurs*." 572 U.S. at 670-71 (alteration in original; emphasis added; citation omitted). This is so because—echoing the principles discussed *supra*—a claim ordinarily accrues "when [a] plaintiff has a complete and present cause of action," *ibid.* (alteration in original) (quoting *Bay Area Laundry*, 522 U.S. at 201), and "the limitations period generally begins to run at the point when 'the plaintiff can file suit and obtain relief,'" *ibid.* (citation omitted). This is consistent with the "separate-accrual rule," which applies to the Copyright Act's statute of limitations, and pursuant to which "the statute of limitations runs separately from each *violation*." *Ibid.* (emphasis added).

Petrella reiterated that the focus is on acts of infringement within the last three years only:

- Page 671: "[A]n infringement is actionable within three years, and only three years, of its occurrence. And the infringer is insulated from liability for earlier infringements of the same work."
- Page 677: "[A] successful plaintiff can gain retrospective relief only three years back from the time of suit. No recovery may be had for infringement in earlier years."
- Page 682: "[T]he statute, § 507(b), makes the starting trigger an infringing act committed three years back from the commencement of suit . . . ."

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the violation occurs, *or one year after the violation is discovered, whichever is later*." (emphasis added)).

Though the Court saved, for another day, the question of whether and when a discovery rule might apply, *id.* at 670 n.4,[4] that day has come: This Court should make clear that the discovery rule does not apply.

B. Lower Court Decisions Applying the Discovery Rule Are Unpersuasive.

The lower courts are not correctly applying the precedent described above (if they consider it at all) to the Copyright Act. Instead, they are reflexively applying the discovery rule to a statute of limitations with no discovery accrual provision. This is illustrated by the Fifth Circuit's remarkable acknowledgements in this case.

Below, the Fifth Circuit carefully reviewed all six of its precedents that even arguably applied the discovery rule to the Copyright Act, and concluded: "*None* . . . explains *why* the discovery rule applies to a copyright infringement claim." App. 5a-6a (emphasis added). The Fifth Circuit's leading case applying the discovery rule to an infringement claim did not "endors[e] the reasoning of [the two] out-of-circuit decisions" to which it cited, either. App. 7a-8a, 21a n.5, 22a-23a n.6.

After marching through Fifth Circuit case law, the court below did not offer any reasoning to support, or

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[4] Three years later, in a patent infringement case, the Court again observed that it had "'not passed on the question' [of] whether the Copyright Act's statute of limitations is governed by" the discovery rule. *SCA*, 580 U.S. at 337-38 (citation omitted). But notably, in observing that "some claims" are subject to a discovery rule, the examples the Court provided involved statutes of limitations that, unlike that of the Copyright Act, *expressly* include a discovery rule. See *ibid.* (citing 31 U.S.C. 3731(b)(1) and 15 U.S.C. 1681p).

try to defend, the discovery rule as the correct reading of the statute. Instead, the panel held it was bound by the Fifth Circuit's prior precedent, even if the earlier decisions applied the discovery rule for no stated reason.

The Fifth Circuit's opinions applying the discovery rule "merely cite other decisions; they pay little attention to the statutory text or the Supreme Court's precedent." See *Everly* v. *Everly*, 958 F.3d 442, 461-62 (6th Cir. 2020) (Murphy, J., concurring).[5] This same criticism has been leveled toward the decisions of other Courts of Appeals, too. See, *e.g.*, *ibid.* (criticizing *Roley* v. *New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994), for "adopt[ing] the discovery rule in an unreasoned sentence").

In fairness, the Fifth Circuit deserves credit for candidly admitting that it applies the discovery rule for no stated reason except its obligation to its own precedent. Other circuits have been less introspective.

The most common mistake among the circuits is that they apply the discovery rule to copyright claims based on an incorrect presumption that the discovery rule applies to all federal statutes of limitations. See,

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[5] This concurring opinion by Judge Murphy persuasively explains why the discovery rule does not apply. Likewise, two of the leading treatises on copyright law leave little doubt that their authors believe that inferior courts have ignored Supreme Court guidance in favor of a rule that causes confusion and inconsistency. See 3 Melville Nimmer, *Nimmer on Copyright* § 12.05[B][2][b] ("To date, all Courts of Appeals have adopted the discovery rule, leaving only *logic* in support of the injury rule."); 6 William F. Patry, *Patry on Copyright* § 20:18 (undiscovered violations of the Copyright Act "bear no resemblance" to the limited situations where this Court has recognized that a discovery rule may be appropriate).

e.g., *Webster* v. *Dean Guitars*, 955 F.3d 1270, 1276 (11th Cir. 2020); *Cooper* v. *NCS Pearson, Inc.*, 733 F.3d 1013, 1015-16 (10th Cir. 2013); *William A. Graham Co.* v. *Haughey*, 568 F.3d 425, 434 (3d Cir. 2009); *Comcast of Ill. X* v. *MultiVision Elecs., Inc.*, 491 F.3d 938, 944 (8th Cir. 2007); *Santa-Rosa* v. *Combo Recs.*, 471 F.3d 224, 227-28 (1st Cir. 2006); *Taylor* v. *Meirick*, 712 F.2d 1112, 1117-18 (7th Cir. 1983).[6] As described *supra* Section A, this Court has rejected that presumption.

The Ninth Circuit's discovery rule was born from a case concerning fraudulent concealment, with no explanation for why that equitable tolling doctrine should be expanded to apply to all copyright claims. *Roley*, 19 F.3d at 481 (citing *Wood* v. *Santa Barbara Chambers of Com., Inc.*, 507 F. Supp. 1128, 1135 (D. Nev. 1980)); see also *infra* Section D. The Sixth and Fourth Circuits have applied the Ninth Circuit's *Roley* decision with no analysis of their own. See *Bridgeport Music, Inc.* v. *Rhyme Syndicate Music*, 376 F.3d 615, 621 (6th Cir. 2004) (citing *Roley*, 19 F.3d at 481); *Hotaling* v. *Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199, 202 (4th Cir. 1997) (citing *Roley*, 19 F.3d at 481).

The Third Circuit offered two additional reasons to support the discovery rule, *William A. Graham Co.*, 568 F.3d at 433-37, neither of which withstands scrutiny. First, the Third Circuit relied on an inapposite decision interpreting the statute of limitations under the Federal Employers' Liability Act. That

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[6] More recently, the Seventh Circuit has recognized that *Petrella* casts the discovery rule into question. See *Chi. Bldg. Design, P.C.* v. *Mongolian House, Inc.*, 770 F.3d 610, 618 (7th Cir. 2014). The Seventh Circuit has not revisited the issue.

Act sought to achieve the "human[e]" objective of providing railroad employees with remedies for on-the-job injuries, including injuries from inhaled silica dust they may not learn about until years later. See *Urie* v. *Thompson*, 337 U.S. 163, 170 (1949). But this Court has never applied the "latent disease" reasoning to intellectual property claims, *TRW*, 534 U.S. at 27, *Rotella*, 528 U.S. at 555, and that would be an odd fit indeed. The Copyright Act is not a "humanitarian" statute; it does not place a thumb on the scale in favor of plaintiffs. See *Fogerty* v. *Fantasy, Inc.*, 510 U.S. 517, 526 (1994).

Second, the Third Circuit reasoned that the difference between the Copyright Act's criminal statute of limitations, 17 U.S.C. 507(a) ("5 years after the cause of action *arose*" (emphasis added)), and its civil statute of limitations, 17 U.S.C. 507(b) ("three years after the claim *accrued*" (emphasis added)), indicates that Congress intended for "accrues" to embrace the discovery rule. *William A. Graham*, 568 F.3d at 433-37. This *non sequitur* is not supported by the legislative history, see *infra* Section D, and "arose" is not the opposite of the discovery rule. In fact, *Petrella* suggests that *neither* "arose" *nor* "accrue" incorporates the discovery rule: "A copyright claim thus *arises* or '*accrue[s]*' when an infringing act *occurs*." 572 U.S. at 670 (alteration in original; emphases added; citation omitted).

The Second Circuit has applied the discovery rule based on "the text and structure of the Copyright Act" and "[p]olicy considerations," citing the Third Circuit's *William A. Graham* decision. *Psihoyos* v. *John Wiley & Sons, Inc.*, 748 F.3d 120, 124-25 (2d Cir. 2014). But the Second Circuit in *Psihoyos* did not explain what it meant by this; its "discussion of the issue was

surprisingly brief and devoid of any reasoning at all." Patry, *supra*, § 20:20.

Though it may not be clear why the circuits cling to the discovery rule, one thing *is* clear: They will not stop until this Court tells them so. That "some language in *Petrella* is perhaps consistent with the injury rule," *Sohm*, 959 F.3d at 50, was not enough for the Second Circuit to deviate from its discovery rule precedent. And in this case, the Fifth Circuit clung to its discovery rule only because it has not yet been "unequivocally overrule[d]" by this Court, not because it has merit. App. 25a.

For this reason, the Fifth Circuit was "chary to create a circuit split." App. 25a. But in fact, there *is* a circuit split. And it can be resolved by holding that the discovery rule does not apply.

C. The Circuit Courts' Refusal to Jettison the Discovery Rule Has Led to the Split at Issue in *Warner Chappell Music*.

It was prudent of the Court to grant certiorari in *Warner Chappell Music* to address the circuit split that has emerged in *Petrella*'s wake. But the underlying cause of the split is the circuits' continued adherence to the discovery rule.

In *Sohm*, the Second Circuit attempted to reconcile *Petrella* with its prior precedent by holding that, while a claim "accrues" when it is discovered, an infringement plaintiff may only recover damages from a three-year "lookback" period. 959 F.3d at 51. But the rule of *Sohm* has been criticized for lacking support in the text of 17 U.S.C. 507 or the Copyright Act's section governing damages, 17 U.S.C. 504. See *Starz*, 39 F.4th at 1245-46.

In 2022, the *Sohm* approach was rejected by the Ninth Circuit, which reasoned that *Sohm* effectively "eviscerate[s] the discovery rule," to which the Ninth Circuit remains committed. *Starz*, 39 F.4th at 1244. The court stated that—although, "[i]n the copyright context, a claim accrues when an infringing act occurs," which happens the moment "the infringer violates any of the exclusive rights of the copyright owner"—"this is not the only time a claim accrues," and the claim will later *re-accrue* pursuant to the discovery rule. *Id.* at 1239-40 (citations and quotation marks omitted). *Starz* does not explain how the text of § 507 supports multiple instances of accrual for a single act of infringement; which rule applies under what circumstances; or, if the plaintiff gets to choose which rule applies, why any plaintiff would ever select a rule that yields an earlier accrual date.

Most recently, the Eleventh Circuit sided with the Ninth Circuit in rejecting the rule of *Sohm*. See *Nealy*, *supra*. But in that case, "the discovery rule was not challenged below." Pet. for Writ of Cert., *Warner Chappell Music, Inc.*, No. 22-1078, at 14 (May 3, 2023). And when the Court considers *Warner Chappell Music* this Term, the question will be "limited" to the scope of available damages "*under* the discovery accrual rule applied by the circuit courts . . . ." Order, *Warner Chappell Music*, No. 22-1078 (Sept. 29, 2023) (emphasis added).

Neither of these approaches is consistent with this Court's precedent. By shoehorning *Petrella* into their discovery rule case law, the circuits are getting it wrong. The cleaner (and correct) way to resolve the circuit split is for this Court to answer the question that is antecedent to the one presented in *Warner Chappell*: The discovery rule simply does not apply.

This petition is a pristine vehicle to consider that question.

D. The Discovery Rule Leads to Inconsistent Rulings, Contrary to the Intent of the Drafters of the Copyright Act of 1976.

The discovery rule requires an examination of when the plaintiff discovered or, with reasonable diligence, should have discovered, the alleged act of infringement. "One can never be sure exactly when on that continuum of awareness a plaintiff knew or should have known enough that the limitations period should have begun." *Hamilton* v. *1st Source Bank*, 928 F.2d 86, 88 (4th Cir. 1990).[7]

This imprecise inquiry leads to unpredictable results at the district court, especially for the substantial volume of cases that concern the use of content on the internet.

Take, for example, cases from the Southern District of New York, a district with a high volume of copyright cases due to it being a hub for media and entertainment. On one end, some judges hold, on a Rule 12(b)(6) motion, that some plaintiffs (at least, "seasoned litigators") are presumed to be on "inquiry notice" at the

[7] Though lower courts sometimes label the discovery rule an "objective" standard, it is fact-intensive and prone to credibility and other fact disputes. *Lorentz* v. *Sunshine Health Prods., Inc.*, No. 09-61529-CIV, 2010 WL 3733986, at *5, *6 (S.D. Fla. Aug. 27, 2010) (discovery rule a "hotly contested issue of material fact" that "involves issues of credibility and weighing of evidence"), *report and recommendation adopted*, No. 09-61529-CIV, 2010 WL 3733985 (S.D. Fla. Sept. 23, 2010); see also *Polar Bear Prods., Inc.* v. *Timex Corp.*, 384 F.3d 700, 707 (9th Cir. 2004) ("[T]he date of discovery is an issue of fact."), *as amended on denial of reh'g and reh'g en banc* (Oct. 25, 2004), *opinion amended on denial of reh'g*, No. 03-35188, 2004 WL 2376507 (9th Cir. Oct. 25, 2004).

time of the allegedly infringing use, and thus they "should have discovered" an infringement as soon as it was displayed on the internet. See, *e.g.*, *Minden Pictures, Inc.* v. *Buzzfeed, Inc.*, 390 F. Supp. 3d 461, 467 (S.D.N.Y. 2019); *Lixenberg* v. *Complex Media, Inc.*, No. 22-cv-354, 2023 WL 144663, at *3 (S.D.N.Y. Jan. 10, 2023); *Michael Grecco Prods., Inc.* v. *RADesign, Inc.*, No. 21-cv-8381, --- F. Supp. 3d ----, 2023 WL 4106162, at *2-3 (S.D.N.Y. June 20, 2023), *appeal docketed*, No. 23-1078 (2d Cir. July 20, 2023).

On the other end, some judges allow such cases to proceed to and, perhaps, through discovery on the theory that there is no "general duty to police the internet for infringements." See, *e.g.*, *Parisienne* v. *Scripps Media, Inc.*, No. 19-cv-8612, 2021 WL 3668084, at *4 (S.D.N.Y. Aug. 17, 2021). As these cases reason, the statute of limitations turns on nebulous inquiries like whether the plaintiff was on "inquiry notice," or whether the plaintiff had been presented with "storm warnings." *Id.* at *3; see also *Hirsch* v. *Rehs Galleries, Inc.*, No. 18-cv-11864, 2020 WL 917213, at *5 (S.D.N.Y. Feb. 26, 2020) (motion to dismiss denied; fact that plaintiff hired a firm that "specializes in searching the internet for infringing conduct" not enough to put plaintiff on notice).

Either way, the discovery rule spawns inquiries and sub-inquiries that are nowhere to be found in the Copyright Act. Was the plaintiff's ignorance of the infringement "reasonable"? *Garcia* v. *Coleman*, No. C-07-2279, 2008 WL 4166854, at *6 (N.D. Cal. Sept. 8, 2008) (concluding that the "lack of knowledge was reasonable under the circumstances" (citation omitted)). Is it enough that a plaintiff was on "inquiry notice"? Most say yes, but some say no. *UMG Recordings, Inc.* v. *Glob. Eagle Ent., Inc.*, No. CV 14-3466, 2016 WL

3457179, at *1 (C.D. Cal. Apr. 20, 2016). Was there a "storm warning" or two and, if so, did the plaintiff see those "warnings"? *Grant Heilman Photography, Inc.* v. *McGraw-Hill Glob. Educ. Holdings, LLC*, No. CIV.A. 12-2061, 2015 WL 1279502, at *20 (E.D. Pa. Mar. 20, 2015) ("very close question" of whether plaintiff "was aware or should have been aware of storm warnings"). Opting for a different analogy, some courts ask whether there was "smoke necessary to put [the plaintiff] on inquiry notice that a fire started." *Luar Music Corp.* v. *Universal Music Grp., Inc.*, 847 F. Supp. 2d 299, 311 (D.P.R. 2012) (alteration in original; citation omitted). And do unrelated acts of infringement provide the necessary "smoke"? Sometimes, yes. *Ibid.*; *Fahmy* v. *Jay-Z*, 835 F. Supp. 2d 783, 790 (C.D. Cal. 2011). Sometimes, no. *Wakefield* v. *Olenicoff*, No. SACV 12-2077, 2015 WL 1460152, at *3 (C.D. Cal. Mar. 30, 2015), *aff'd in relevant part, rev'd in part*, 679 F. App'x 591 (9th Cir. 2017). And when, precisely, were the facts constituting that "notice," "warning," or "smoke" sufficiently clear to the plaintiff such that the statute of limitations should start to run?

These considerations are absent from Section 507(b), which simply states that a claim must be brought within three years of when it "accrues."

This is more than a practical problem: Such confusion and uncertainty are contrary to a core intent of the Copyright Act of 1976.

Congress adopted the statute of limitations in Section 507(b) to "render uniform and certain the time within which copyright claims could be pursued." *Petrella*, 572 U.S. at 670. The statutes of limitations in the Copyright Act of 1976 were carried over, verbatim in substance, from that of the Copyright Act

of 1909, which had been amended in 1957 to add a statute of limitations for civil claims. *Id.* at 670 n.3.

The Senate Report for the 1957 Act indicates that all witnesses before the House Judiciary Committee "agreed to a 3-year uniform period, feeling that this represents the best balance attainable to this type of action." *Auscape Int'l* v. *Nat'l Geographic Soc'y*, 409 F. Supp. 2d 235, 245 (S.D.N.Y. 2004) (citing S. Rep. No. 85-1014, 85th Cong., 1st Sess. 2 (1957)). The time to locate the infringement is baked in to the three-year period; "generally[,] the person injured receives reasonably prompt notice or can easily ascertain any infringement of his rights," so "3 years is an appropriate period for a uniform statute of limitations . . . ." *Ibid.* (citation omitted).[8]

From this, it can be inferred that Congress intended for (i) a "fixed" statute of limitations, not one that "would depend on something as indefinite as when the copyright owner learned of the infringement," and (ii) "the three-year period to begin at the date of infringement." *Ibid.*; see also *Hamilton*, 928 F.2d at 88 ("A discovery rule . . . substitutes a vague and uncertain period for a definite one.").

Moreover, a "substantial focus" of the Congressional hearings was on whether to codify equitable doctrines,

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[8] To the extent it could be argued that it is more difficult to locate infringements on the internet than in the analog world of the 1976 Act, (i) that policy consideration should be left to Congress, and (ii) that is likely untrue; for example, there are now technological means (which are becoming increasingly sophisticated) by which authors can search the internet for unauthorized uses of their works. See, *e.g.*, Pixsy, https://www.pixsy.com/ (last visited Oct. 24, 2023); ImageRights, https://www.imagerights.com/ (last visited Oct. 24, 2023); Copytrack, https://www.copytrack.com/ (last visited Oct. 24, 2023).

including fraudulent concealment. But "[i]f an infringement claim would not accrue until the copyright holder knew of the infringement, the question whether the holder's ignorance was attributable to simple ignorance or concealment would have been immaterial." *Auscape*, 409 F. Supp. 2d at 246-47.

Further, under the 1909 Act (as amended in 1957), the word "accrue" referred to the incident-of-injury rule, *not* a discovery rule. See *Prather* v. *Neva Paperbacks, Inc.*, 446 F.2d 338, 339 (5th Cir. 1971) (rejecting application of a "Blameless Ignorance rule" to "toll the three year statute of limitations"; claim accrued at the time of "the last publication of the alleged infringing work"); *Prather* v. *Camerarts Publ'g Co.*, No. 68 C 1496, 1972 WL 17668, at *4 (N.D. Ill. Apr. 19, 1972) (claims untimely where infringing use was "neither published, sold nor distributed within three years of the time this cause was commenced"), *aff'd*, 481 F.2d 1406 (7th Cir. 1973); *Baxter* v. *Curtis Indus., Inc.*, 201 F. Supp. 100, 101 (N.D. Ohio 1962) ("[T]he period of limitation began from the date of the last infringing act."). Congress intended for the statutes of limitations under the 1976 Act to apply just as they had applied under the prior Act. See *Stone* v. *Williams*, 970 F.2d 1043, 1047 (2d Cir. 1992); Patry, *supra*, § 20:13. And Hearst is not aware of any case applying the discovery rule under the prior Act.

Congress, in enacting the 1976 Act, would have been aware of this case law interpreting the word "accrue" under the prior Act. It could have added a discovery rule. See *supra* note 4. It did not do so.

CONCLUSION

The Court should grant this petition for certiorari.

Respectfully submitted,

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November 2, 2023

APPENDIX

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APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

[Filed: April 13, 2023]

No. 22-20333

ANTONIO MARTINELLI,

Plaintiff-Appellee,

versus

HEARST NEWSPAPERS, L.L.C.;
HEARST MAGAZINE MEDIA, INCORPORATED,

Defendants-Appellants.

Appeal from the United States District Court
for the Southern District of Texas
USDC No. 4:21-CV-3412

Before BARKSDALE, SOUTHWICK, and HIGGINSON, *Circuit Judges*.

STEPHEN A. HIGGINSON, *Circuit Judge*:

A civil action for copyright infringement under the Copyright Act of 1976 must be "commenced within three years after the claim accrued." 17 U.S.C. § 507(b). In *Graper v. Mid-Continent Casualty Co.*, our court decided that this limitations period starts running "once the plaintiff knows or has reason to know of the injury upon which the claim is based," which is also known as the discovery rule. 756 F.3d 388, 393 (5th Cir. 2014) (cleaned up). Today, appellants Hearst Newspapers,

L.L.C. and Hearst Magazine Media, Incorporated (collective, "Hearst") ask us to replace the discovery rule with a holding that the clock starts when an act of copyright infringement occurs. Hearst argues that *Graper* is no longer binding in light of the Supreme Court's decisions in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663 (2014), and *Rotkiske v. Klemm*, 140 S. Ct. 355 (2019). Since neither of those cases unequivocally overruled *Graper*, we AFFIRM.

I.

In 2015, Sotheby's International Realty commissioned Antonio Martinelli to photograph Lugalla, an Irish estate owned by the Guinness family.[1] Martinelli took seven photographs of the property, and Lugalla was subsequently listed for sale.

On March 7, 2017, Hearst Newspapers used Martinelli's photographs in a web-only article, "The 'Guinness Castle' in Ireland Is on the Market," which Hearst Newspapers published on websites associated with the Houston Chronicle, the San Francisco Chronicle, the Times Union, the Greenwich Time, and The Middletown Press. Six days later, Hearst Newspapers again used the photographs in a web-only article available on those websites. The next day, a different entity called Hearst Communications used four of the photographs in a web-only article published on a website associated with Elle Décor magazine.

Martinelli first discovered the Houston Chronicle article on November 17, 2018. Between September 2019 and May 2020, Martinelli discovered the article on the websites of the San Francisco Chronicle, the

[1] We adopt the parties' spelling of the estate's name, even though the more widely accepted spelling appears to be "Luggala."

Times Union, the Greenwich Time, and The Middletown Press. On February 19, 2020, Martinelli discovered the article on the Elle Décor website. Hearst has stipulated that Martinelli could not have discovered those uses of his photographs with reasonable diligence at earlier times.

On October 18, 2021, Martinelli sued Hearst Newspapers for copyright infringement, alleging that the Houston Chronicle's website had used Martinelli's photographs without permission. On February 11, 2022, Martinelli amended his complaint to bring a copyright infringement claim against Hearst Magazine Media, Inc.—the current owner of the Elle Décor copyrights—and to allege that his photographs were also used on websites associated with the San Francisco Chronicle, the Times Union, the Greenwich Time, and The Middletown Press. Martinelli brought these claims within three years of discovering the infringements but more than three years after the infringements occurred.

The parties cross-moved for summary judgment, stipulating that Hearst committed copyright infringement and that Martinelli would be entitled to $10,000 if he prevails. Hearst argued that intervening Supreme Court decisions "undermined" this circuit's discovery rule and that Martinelli's claims were untimely because they accrued when Hearst infringed Martinelli's copyrights. The district court rejected this argument, followed *Graper*, granted Martinelli's motion for summary judgment, and denied Hearst's motion.

Hearst timely appealed.

II.

On appeal, Hearst argues that Martinelli's claims are time-barred because a claim accrues under § 507(b) when the infringement occurs. Hearst recognizes that under this circuit's precedents, the § 507(b) limitations period starts when the plaintiff "knows or has reason to know of the injury upon which the claim is based." *Graper*, 756 F.3d at 393 (cleaned up). Yet Hearst contends that the Supreme Court's decisions in *Petrella* and *Rotkiske* "undermined the reasoning of [this circuit's] precedents" such that the rule of orderliness does not require this court to follow the discovery rule. *Petrella* and *Rotkiske* had no such effect. Accordingly, as the district court concluded, Martinelli's claims were timely under *Graper*.

A.

Under this circuit's rule of orderliness, "one panel . . . may not overturn another panel's decision, absent an intervening change in the law, such as by a statutory amendment, or the Supreme Court, or our *en banc* court." *Jacobs v. Nat'l Drug Intel. Ctr.*, 548 F.3d 375, 378 (5th Cir. 2008); *see United States v. Alcantar*, 733 F.3d 143, 145-46 (5th Cir. 2013). "[F]or a Supreme Court decision to change our [c]ircuit's law, it must . . . unequivocally overrule prior precedent." *Tech. Automation Servs. Corp. v. Liberty Surplus Ins. Corp.*, 673 F.3d 399, 405 (5th Cir. 2012) (cleaned up); *Brotherhood of Locomotive Eng'rs & Trainmen v. Union Pac. R.R. Co.*, 31 F.4th 337, 344 (5th Cir. 2022) (similar). Neither "a mere 'hint' of how the [Supreme] Court might rule in the future," *Alcantar*, 733 F.3d at 146, nor a decision that is "merely illuminating with respect to the case before [us]" will permit a subsequent panel to depart from circuit precedent, *Tech. Automation*, 673 F.3d at 405.

Following these principles, where an intervening Supreme Court decision "fundamentally changes the focus of the relevant analysis," our precedents relying on that analysis are "implicitly overruled." *In re Bonvillian Marine Serv., Inc.*, 19 F.4th 787, 792 (5th Cir. 2021) (cleaned up). But this is only true when the changed analysis clearly applies to the case before us, such that we are "unequivocally directed by controlling Supreme Court precedent" to "overrule the decision of [the] prior panel," *United States v. Zuniga-Salinas*, 945 F.2d 1302, 1306 (5th Cir. 1991); *see Stokes v. Sw. Airlines*, 887 F.3d 199, 204 (5th Cir. 2018) ("Such a change occurs, for example, when the Supreme Court disavows the mode of analysis on which our precedent relied."); *Gonzalez v. Thaler*, 623 F.3d 222, 226 (5th Cir. 2010) (examining whether a Supreme Court decision "establishes a rule of law inconsistent with our own" (cleaned up)).

B.

The parties identify six cases, three of which are published and binding, in which this circuit arguably held that a copyright infringement claim accrues "once the plaintiff knows or has reason to know of the injury upon which the claim is based." *Graper*, 756 F.3d at 393 (cleaned up); *see Pritchett v. Pound*, 473 F.3d 217, 220 (5th Cir. 2006); *Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 341 (5th Cir. 1971); *Aspen Tech., Inc. v. M3 Tech., Inc.*, 569 F. App'x 259, 264 (5th Cir. 2014) (per curiam) (unpublished); *Jordan v. Sony BMG Music Ent. Inc.*, 354 F. App'x 942, 945 (5th Cir. 2009) (per curiam) (unpublished); *Groden v. Allen*, 279 F. App'x 290, 294 (5th Cir. 2008) (per curiam) (unpublished). Out of our three published authorities, only *Graper* squarely held the discovery rule applies to a copyright infringement claim. *See* 756 F.3d at 393. None of these

cases explains why the discovery rule applies to a copyright infringement claim.

Graper resolved an insurance coverage dispute. The insureds were sued for copyright infringement, and after they tendered the claim to the insurer, the insurer agreed to defend them subject to a reservation of rights. *Id.* at 390. One of the bases for exclusion of coverage was "that the injury may not have occurred during policy coverage dates." *Id.* at 391. The insureds then retained their own counsel to defend the copyright infringement suit because "they believed there was a disqualifying conflict of interest between them and any counsel [the insurer] chose," and they filed a separate declaratory action to determine their rights under the relevant policies. *Id.*

On appeal, the only issue was "whether [the insurer] was obligated to pay for the [i]nsureds' selected counsel to defend the [copyright infringement] claims." *Id.* The court explained that an obligation to pay for an insured's selected counsel arises if the insurer's chosen counsel has a disqualifying conflict of interest. *Id.* at 392. Such a conflict of interest exists if "the facts to be adjudicated in the underlying lawsuit are the same facts upon which coverage depends." *Id.* (cleaned up). The insureds argued that because they defended the "copyright claims on grounds that the claims 'accrued' outside the applicable time provided by the statute of limitations" and because the insurer "reserved the right to deny coverage of the . . . claims on grounds that the alleged acts of infringement . . . 'occurred' outside the time the policy was in effect," "many of the same facts [would] determine both the [i]nsureds' liability and the [i]nsureds' coverage." *Id.* at 393.

We disagreed, holding that no disqualifying conflict of interest existed because the limitations period for a

copyright-infringement claim runs from the date that the infringement is discovered, not the date that the infringement occurs. *Id.* at 393-94. "In litigating the [i]nsureds' statute of limitation defense," counsel "would only need to have adjudicated the fact of when the claim *accrued*, not the fact of when the acts of infringement *occurred*," *id.* at 393 (emphasis in original), and we explained that "[a] claim accrues once the plaintiff knows or has reason to know of the injury upon which the claim is based," *id.* (quotation marks and alterations omitted) (quoting *Jordan*, 354 F. App'x at 945). Although adjudication of the date when the infringement was discovered "would signal, in subsequent litigation, that the infringing conduct occurred before that date of discovery," "such a determination . . . would lack the specificity necessary to decide whether the claim was covered under the [i]nsureds' policy." *Id.* (emphasis omitted).

Although it was necessary to the decision in *Graper* that the discovery rule controlled the limitations period for a copyright infringement claim, *Graper* did not explain why the discovery rule applied. Instead, as noted above, the discovery rule holding in *Graper* quoted from our unpublished decision in *Jordan v. Sony BMG Music Entertainment Inc. See* 354 F. App'x at 945.[2] At most, *Graper* included a footnote recogniz-

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[2] In turn, *Jordan* does not explain why the discovery rule applies to copyright infringement claims and instead quotes from our published decision in *Pritchett v. Pound*. 354 F. App'x at 945 (quoting *Pritchett*, 473 F.3d at 220). But *Pritchett* involved a copyright ownership claim, did not address whether the discovery rule applied to a copyright infringement claim, and also did not explain why the discovery rule applied to the claims at issue. *See Pritchett*, 473 F.3d at 220. Instead, it cited to a Second Circuit case that similarly does not explain why the discovery rule applies to

ing that "[o]ther circuits agree that this is the proper inquiry" without endorsing the reasoning of those out-of-circuit decisions. *Graper*, 756 F.3d at 393 n.5 (citing *Cooper v. NCS Pearson, Inc.*, 733 F.3d 1013 (10th Cir. 2013); and *William A. Graham Co. v. Haughey*, 568 F.3d 425, 433 (3d Cir. 2009)).

Two other recent unpublished cases from this court apply the discovery rule to copyright infringement claims without giving a rationale. *See Aspen*, 569 F. App'x at 264 (stating that "the discovery rule . . . appl[ies] to . . . infringement claims"); *Groden*, 279 F. App'x at 294 (stating that "the relevant inquiry" under § 507(b) "is when the claim accrued, not when the infringement occurred"). Both cases rely on our earlier published decision in *Prather v. Neva Paperbacks, Inc.* *See Aspen*, 569 F. App'x at 264 n.8.; *Groden*, 279 F. App'x at 294.

However, *Prather* concerned whether the "fraudulent concealment" of a copyright infringement cause of action "by the defendant will [equitably] toll the statute of limitations" under the Copyright Act as amended in 1957.[3] 446 F.2d at 341. The district court

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a copyright ownership claim. *See id.* (citing *Est. of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, 342 F.3d 149, 165 (2d Cir. 2003)).

[3] As the Supreme Court explained in *Petrella*, "[u]ntil 1957, federal copyright law did not include a statute of limitations for civil suits," and so federal courts "used analogous state statutes of limitations." 572 U.S. at 669. In 1957, Congress added a three-year limitations period for civil claims, which read, "[n]o civil action shall be maintained under [the Act] unless the same is commenced within three years after the claim accrued." *See* Act of Sept. 7, 1957, Pub. L. 85–313, 71 Stat. 633, 17 U.S.C. § 115(b) (1958 ed.). Essentially the same language was recodified in the Copyright Act of 1976: "No civil action shall be maintained under [the Act] unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b); *see Petrella*, 572 U.S. at 670 n.3

had found "that the last publication of the alleged infringing work occurred in June, 1964, but [the] suit was not filed until August, 1969," and "no circumstances . . . excuse[d] plaintiff's lack of knowledge of the infringement." *Id.* at 339. On appeal, we considered only whether the plaintiff was entitled to equitable tolling. *Id.* at 339-41.

At the outset, we refused to apply a Florida-law equitable doctrine called the "Blameless Ignorance rule" because enforcing "a peculiarly local doctrine" would "frustrate the Congressional goal of homogeneity" in enacting a uniform three-year limitations period. *Id.* at 339-40. Then, we considered whether the federal-law fraudulent concealment doctrine tolled the limitations period. *Id.* at 340-41. The plaintiff argued that the defendants had concealed the existence of a book that infringed his copyrights "and prevented him from obtaining a copy of that book." *Id.* at 340. But the court concluded that the defendants had not fraudulently concealed the book because the plaintiff knew about the book all along. *Id.* at 341. That the "plaintiff was unable to procure a copy of the [allegedly infringing book was] insufficient to show the successful concealment necessary to toll the statute of limitations." *Id.* In more general terms, we said that "[o]nce [a] plaintiff is on inquiry that it has a potential claim, the statute can start to run," even if the plaintiff has not yet "obtain[ed] a thorough understanding of all the facts." *Id.* (citation omitted). *Prather* borrowed this principle from a decision of the Court of Claims, which explained that "[t]his standard is in line with the modern philosophy of pleading which has reduced the require-

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("The Copyright Act was pervasively revised in 1976, but the three-year look-back statute of limitations has remained materially unchanged.").

ments of the petition and left for discovery and other pretrial procedures the opportunity to flesh out claims and to define more narrowly the disputed facts and issues." *Id.* (quoting *Japanese War Notes Claimants Ass'n of Philippines, Inc. v. United States*, 373 F.2d 356, 359 (Ct. Cl. 1967)). As *Prather* put it, "[t]he bells do not toll the limitations statute while one ferrets the facts." *Id.*

Thus, in *Prather*, we appear to have assumed that the statute of limitations would bar the plaintiff's claim unless the fraudulent concealment doctrine applied. And since the plaintiff knew about the alleged infringement, he could not assert that the defendants had concealed it. So *Prather* narrowly held that a plaintiff's inability to obtain evidence of infringement does not equitably toll the limitations period under a fraudulent concealment theory. The issue of whether the limitations period of the Copyright Act as amended in 1957 started running when the defendants published the book or when the plaintiff discovered the book was not clearly raised or resolved.

In sum, *Graper* is the only precedent binding this court to apply the discovery rule with respect to the § 507(b) limitations period for copyright infringement claims.

C.

Hearst argues that the panel "need not . . . follow[]" this circuit's discovery rule because cases like *Graper* "cannot be reconciled" with *Petrella* and *Rotkiske*. But *Petrella* and *Rotkiske* did not "unequivocally overrule" *Graper*, either by holding that the limitations period in § 507(b) starts running when infringement occurs or by "fundamentally chang[ing] the focus of the relevant analysis" with respect to the Copyright Act. *Bonvillian*,

19 F.4th at 792 (cleaned up). To the contrary, *Petrella* and *Rotkiske* leave open the possibility that in a later case, the Supreme Court might decide that the discovery rule does apply to § 507(b).

1.

In *Petrella*, the Court decided under what circumstances a defendant can assert the equitable defense of laches—an "unreasonable, prejudicial delay in commencing suit"—against a copyright infringement claim that is brought within § 507(b)'s limitations period. 572 U.S. at 667. The Court held that although laches cannot preclude a timely claim for damages, in "extraordinary circumstances," laches may bar equitable relief. *Id.* at 667-68. But the Court left for another day the question of whether discovery or occurrence of an infringing act triggers § 507(b).

Before reaching the question of whether a laches defense was available, the Court explained how the § 507(b) limitations period works. *Id.* at 669-72. The Court noted that "[a] claim ordinarily accrues when a plaintiff has a complete and present cause of action," and then stated that "[a] copyright claim thus arises or accrues when an infringing act occurs." *Id.* at 670 (cleaned up). However, in a corresponding footnote, the Court clarified that "[a]lthough we have not passed on the question, nine Courts of Appeals have adopted, as an alternative to the incident of injury rule, a 'discovery rule,' which starts the limitations period when the plaintiff discovers, or with due diligence should have discovered, the injury that forms the basis for the claim." *Id.* at 670 n.4 (cleaned up).

Although the Court appears to have assumed without deciding that the limitations period starts to run when the infringement occurs, that assumption

was not necessary to the Court's decision. The Court held that laches may not be invoked as a bar to damages under the Copyright Act because § 507(b) "itself takes account of delay." *Id.* at 677. Specifically, under "the separate-accrual rule," "the statute of limitations runs separately from each violation" of the Copyright Act, meaning that "each infringing act starts a new limitations period." *Id.* at 671. Because "a successful plaintiff can gain retrospective relief only three years back from the time of suit," the plaintiff could not reach the defendant's "returns on its investments" realized earlier than three-years prior to the date of the suit. *Id.* at 677. None of this analysis requires that the limitations period start running with the infringing act—only that the plaintiff's recovery be limited to a three-year window "from the time of suit," and that separate infringing acts trigger separate limitations periods. *Id.*

In rebutting the counterargument that laches should be treated like equitable tolling and read into every federal statute of limitations, the Court said that unlike tolling, laches "originally served as a guide when no statute of limitations controlled the claim" and "can scarcely be described as a rule for interpreting a statutory prescription." *Id.* at 681-82. To illustrate the point, the Court noted that § 507(b) "makes the starting trigger an infringing act committed three years back from the commencement of suit, while laches, as conceived by [the court of appeals] and advanced by [the respondent], makes the presumptive trigger the defendant's initial infringing act." *Id.* at 682 (emphasis omitted). But the Court's gloss on what condition triggers the limitations period was not necessary to the Court's point that § 507(b) contained a limitations period, and so there was no need to use laches "as a guide." *Id.* at 681. After all, regardless of

whether the discovery or occurrence of infringement starts the clock, what mattered to the Court was that the "limitations period . . . coupled to the separate-accrual rule . . . . allows a copyright owner to defer suit until she can estimate whether litigation is worth the candle." *Id.* at 682-83.

The Court later confirmed that *Petrella* didn't disturb the discovery rule in *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC*, 580 U.S. 328 (2017). There, the Court decided that laches could not be asserted as a defense against a timely claim for damages from patent infringement under the Patent Act, 35 U.S.C. § 286. *SCA Hygiene*, 580 U.S. at 346. The infringer tried to distinguish *Petrella* on the basis that unlike § 507(b), § 286 was not a "true statute of limitations" because it "runs backward from the time of suit." *Id.* at 336 (citation omitted). The Court rejected this distinction, explaining that *Petrella* described § 507(b) as "a three year look-back limitations period" that "allows plaintiffs to gain retrospective relief running only three years back from the date the complaint was filed." *Id.* at 336-37 (cleaned up and emphasis omitted). Nor was the Court persuaded that § 286 of the Patent Act is different from § 507(b) because § 286 "turns only on when the infringer is sued, regardless of when the patentee learned of the infringement." *Id.* at 337 (citation omitted). The Court quoted *Petrella* that "a claim ordinarily accrues when a plaintiff has a complete and present cause of action," and further explained that "[w]hile some claims are subject to a 'discovery rule' . . . that is not a universal feature of statutes of limitations." *Id.* (cleaned up). The Court further recognized that "in *Petrella,* we specifically noted that 'we have not passed on the question' whether the Copyright Act's statute of limitations is

governed by such a rule." *Id.* at 337-38 (citation omitted).

Hearst acknowledges that *Petrella* did not decide whether the statute of limitations in § 507(b) starts running when the infringing act occurs or is discovered. So instead of arguing that *Petrella* unequivocally overruled *Graper*, Hearst contends that "the Court's articulation of when claims generally accrue, and its explanation [of] how statutes of limitations generally work, leads to the conclusion that [the discovery rule] does not apply" to § 507(b).[4] *Petrella* does not lead to that conclusion. But even if it did, under this circuit's rule of orderliness, we would still be bound to *Graper*.

Petrella's general statements about statutes of limitation and the separate-accrual rule leave room for caselaw holding that the discovery rule applies to § 507(b). *Petrella* said that limitations periods "generally begin[] to run at the point when the plaintiff can file suit and obtain relief," assumed that "[a] copyright claim . . . accrues when an infringing act occurs," and reasoned that "each infringing act starts a new limitations period" under the separate-accrual rule. *Petrella*, 572 U.S. at 670-71 (cleaned up). But the Court did "not pass[]" on whether the § 507(b) limitations period is triggered by discovery of infringement. *Id.* at

[4] *Graper* issued on June 24, 2014, about a month after *Petrella*. *See* 572 U.S. 663 (decided May 19, 2014). However, as Hearst points out, just because *Graper* came out after *Petrella* doesn't mean that *Graper* actually decided that the discovery rule survives *Petrella*. *See Gahagan v. USCIS*, 911 F.3d 298, 302 (5th Cir. 2018). *Graper* did not mention *Petrella* or address whether *Petrella* foreclosed the discovery rule, and no party appears to have brought *Petrella* to the court's attention. The issue of whether *Petrella* unequivocally overruled the discovery rule is accordingly before us as a matter of first impression.

670 n.4; *see SCA Hygiene*, 580 U.S. at 337. Instead, the Court left open the possibility that at the time of § 507(b)'s enactment, a copyright infringement claim accrued like claims arising from "latent disease and medical malpractice," *TRW Inc. v. Andrews*, 534 U.S. 19, 27 (2001), which are "unknown or unknowable until the injury manifests itself," *Rotella v. Wood*, 528 U.S. 549, 556 (2000) (citation omitted), and for which the Court has "recognized a prevailing discovery rule," *TRW Inc.*, 534 U.S. at 27.

However, even accepting as true that *Petrella* "leads to the conclusion that" the discovery rule does not apply to § 507(b), the rule of orderliness still requires us to follow *Graper*. As set forth above, *Petrella*'s statements suggesting that a copyright infringement claim accrues when the infringement occurs are dicta, which do not bind us and are therefore at most "merely illuminating" with respect to this case. *Tech. Automation*, 673 F.3d at 405.

This court's decision in *Energy Intelligence Group, Inc. v. Kayne Anderson Capital Advisors, L.P.* does not compel a different result. 948 F.3d 261 (5th Cir. 2020). There, we did not interpret *Petrella* as unequivocally overruling *Graper*, and we certainly did not bind future courts to such an interpretation. Rather, we decided that "mitigation is not an absolute defense to statutory damages under the Copyright Act." *Id.* at 275. Before reaching that holding, we explained that the viability of a mitigation defense turned on "whether the Copyright Act contains a statutory purpose" contrary to "the common-law principle of mitigation," and we summarized *Petrella* because "statutory purpose and the nature of the common-law defense asserted . . . were central to [that case]." *Id.* at 270-71. In our recap of *Petrella*, we said in a footnote that "[t]he rule of

separate accrual, as discussed in *Petrella*, takes as given that a copyright claim accrues when an infringing act occurs (the 'incident of injury' rule) and treats each successive infringing act as a new, independent wrong with its own limitations period." *Id.* at 271 n.5. This footnote simply reiterates that *Petrella* assumed without deciding that a copyright infringement claim accrues when the infringement occurs. It does not say that *Graper* is bad law. Indeed, even if we are bound to this claim that *Petrella* assumed that the "incident of injury" rule applies, as discussed above, it might still be that the limitations period in § 507(b) starts running at the discovery of each infringing act.

In any event, the *Energy Intelligence* footnote is dicta to which the rule of orderliness does not apply. *Netsphere, Inc. v. Baron*, 799 F.3d 327, 333 (5th Cir. 2015) (citation omitted). Our decision that mitigation is not an absolute defense to statutory damages was based on the insight that statutory damages under the Copyright Act "are not solely intended to approximate actual damages," "serve purposes that include deterrence," and "are therefore distinct from the type of damages that are typically calculated according to rules of mitigation." *Energy Intel. Grp.*, 948 F.3d at 274. Although we rejected the defendant's argument that the "harm . . . for purposes of its mitigation defense, was [its] continuing infringing conduct" because "*Petrella* unequivocally approved the rule of separate accrual and held that every act of copyright infringement is an independently actionable legal wrong," *id.*, this part of our analysis depended solely on the fact that the separate-accrual rule creates a separate limitations period for each infringing act—not that the limitations period starts running when each separate infringement occurs. The first part of the footnote about the separate-accrual rule—"[t]he rule of separate

accrual, as discussed in *Petrella*, takes as given that a copyright claim accrues when an infringing act occurs (the 'incident of injury' rule)," *id.* at 271 n.5—"could have been deleted without seriously impairing the analytical foundations of the holding and being peripheral, may not have received the full and careful consideration of the court that uttered it," *Netsphere, Inc.*, 799 F.3d at 333 (citation omitted). We know that this is true because if we "turn the questioned proposition around . . . to assert whatever alternative proposition the court rejected in its favor"—namely, that the separate limitations periods start running when the infringing acts are discovered—"the insertion of the rejected proposition. . . would not require a change in either the court's judgment or the reasoning that supports it." Pierre N. Leval, *Judging Under the Constitution: Dicta About Dicta*, 81 N.Y.U. L. REV. 1249, 1257 (2006).

2.

Next, Hearst argues that *Rotkiske* "fundamentally changes the focus of the relevant analysis" by holding that "the discovery rule does not generally apply to statutes of limitations absent clear language in the statute to that effect." But Hearst misconstrues *Rotkiske* and overstates the extent to which *Rotkiske* governs this court's interpretation of the Copyright Act.

Rotkiske held that the statute of limitations in the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. § 1692k(d), "begins to run on the date on which the alleged FDCPA violation occurs, not the date on which the violation is discovered." 140 S. Ct. at 358. To start, the Court considered whether § 1692k applied "a general discovery rule as a principle of statutory interpretation." *Id.* at 360. The Court explained that "we begin by analyzing the statutory language," and

"[i]f the words of a statute are unambiguous, this first step of the interpretive inquiry is our last." *Id.* The limitations provision in the FDCPA says that an action may be brought "within one year from the date on which the violation occurs." 15 U.S.C. § 1692k(d). The Court held that this "language unambiguously sets the date of the [FDCPA] violation as the event that starts the one-year limitations period." *Rotkiske*, 140 S. Ct. at 360.

Given § 1692k(d)'s unambiguous text, the Court refused "to read in a provision stating that [the] limitations period begins to run on the date an alleged FDCPA violation is discovered." *Id.* The Court called such an attempt to add a discovery rule into a statute where Congress did not include one a "bad wine of recent vintage." *Id.* (quoting *TRW Inc.*, 534 U.S. at 37 (Scalia, J., concurring in judgment)). Although "at the time Congress enacted the FDCPA, many statutes included provisions that . . . would begin the running of a limitations upon the discovery of a violation, injury, or some other event," Congress did not say as much in § 1692k. *Id.* at 361 (emphasis omitted). Thus, the Court declined "to second-guess Congress' decision to include a 'violation occurs' provision, rather than a discovery provision, in § 1692k(d)." *Id.*

The Court also noted that "[i]f there are two plausible constructions of a statute of limitations, we generally adopt the construction that starts the time limit running when the cause of action accrues because Congress legislates against the standard rule that the limitations period commences when the plaintiff has a complete and present cause of action." *Id.* at 360 (internal quotation marks and alteration omitted) (quoting *Graham Cnty. Soil & Water Conservation Dist. v. United States ex rel. Wilson*, 545 U.S. 409, 418-

19 (2005)). But because the Court decided that § 1692k was unambiguous, it had no occasion in *Rotkiske* to apply this general rule.

Therefore, contrary to Hearst's position, *Rotkiske* did not introduce a clear statement rule that a limitations period runs from the occurrence of the injury unless the statute expressly says that the discovery rule applies. Rather, *Rotkiske* identified how to resolve the limitations question in two categories of cases. First, in cases where a limitations period is unambiguous with respect to what conditions starts the clock running, the statutory language controls. *Rotkiske*, 140 S. Ct. at 360. Second, for cases where "there are two plausible constructions," the court "generally adopt[s] the construction that starts the time limit running when the cause of action accrues." *Id.* (cleaned up).

But *Rotkiske* did not describe how to analyze every statute of limitations in the U.S. Code. Because the limitations period at issue in *Rotkiske* "unambiguously set[] the date of the violation as the event that starts the . . . limitations period," *id.*, the Court did not need to decide whether or under what circumstances an ambiguous limitations period could be construed to apply the discovery rule. Indeed, with respect to ambiguous statutes, while *Rotkiske* said that courts "*generally* adopt the construction that starts the time limit running when the cause of action accrues," *id.* (emphasis added and alteration omitted), it did not survey when courts might permissibly adopt an alternative construction. For example, statutory language describing the limitations period might be ambiguous, yet the only plausible construction might be that the discovery rule applies. *Rotkiske* did not address this scenario.

While *Rotkiske* refused to "enlarge[]" the FDCPA by "read[ing] in" a discovery rule provision and noted that

"[a]textual judicial supplementation" of a discovery rule was "particularly inappropriate" because "Congress has enacted statutes that expressly include" discovery rule language, *id.* at 360-61, the Court said so in the context of an unambiguous statute that provided a limitations period "within one year from the date on which the *violation occurs*," 15 U.S.C. § 1692k(d) (emphasis added). The Court did not hold that any ambiguity forecloses application of a discovery rule. And the Court did not hold that the only way that Congress can signal a discovery rule is by using the word "discover."

Accordingly, the issues decided in *Rotkiske* and *Graper* are distinct. *See Gahagan v. USCIS*, 911 F.3d 298, 302-03 (5th Cir. 2018) (In determining whether "a Supreme Court decision involving one statute implicitly overrules our precedent involving another statute," "[t]he overriding consideration is the similarity of the issues decided."). *Rotkiske* declined to read a discovery rule into an unambiguous statute that said that "the date on which the violation occurs" is the date that the limitations period starts. *Graper* interpreted the Copyright Act's limitations period, which provides that a civil action must be "commenced within three years after the claim accrued," 17 U.S.C. § 507(b), as running from the date that infringement is discovered. Unlike the FDCPA, the Copyright Act does not explicitly pin the limitations period to the date that the "violation occurred." *Compare* 17 U.S.C. § 507(b) *with* 15 U.S.C. § 1692k(d).

Further, even assuming, as Hearst argues, that *Rotkiske* "rejects any . . . presumption" that "all federal statutes of limitations, regardless of context, incorporate a general discovery rule unless Congress has expressly legislated otherwise," *Rotkiske* did not fun-

damentally change the focus of the analysis in *Graper*. *Graper* did not explain why it was adopting the discovery rule, let alone announce that it was applying such a presumption.[5] *Graper* could have concluded that at the time of § 507(b)'s adoption, a copyright infringement claim accrued in the same manner as other claims that the Supreme Court has decided are controlled by the discovery rule. *See TRW Inc.*, 534 U.S. at 27-28; *Rotella*, 528 U.S. at 556. Had *Graper* reached that conclusion, the court might have further concluded that the only plausible construction of the phrase "claim accrued" in § 507(b) is that the discovery rule applies. *Graper* and *Rotkiske* can be reconciled along those lines.

Finally, Hearst argues that *In re Bonvillian Marine Service, Inc.* "maps perfectly on this case." But *Bonvillian* is an awkward fit.

In *Bonvillian*, the district court dismissed an untimely action under the Limitation of Liability Act of 1851 for lack of subject-matter jurisdiction in accordance with *In re Eckstein Marine Service L.L.C.*, 672 F.3d 310, 315-16 (5th Cir. 2012), which held that the time bar in the Limitation Act was jurisdictional. *Bonvillian*, 19 F.4th at 789-90. In holding that the time bar was jurisdictional, *Eckstein* asserted that "[w]hile many statutory filing deadlines are not jurisdictional, we have long recognized that some are" and the Limitation Act's "requirement is one of these." *Eckstein*, 672 F.3d at 315. To support that proposition,

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[5] Hearst argues that *Graper* "relied on two pre-*Rotkiske* and *Petrella* cases that employed" this presumption. However, as we explained, *Graper* merely cited those cases for the proposition that "[o]ther circuits agree" that the discovery rule applies, not to incorporate the reasoning of those out-of-circuit cases. *Graper*, 756 F.3d at 393 n.5.

Eckstein cited to, among other cases, our decision in *In re FEMA Trailer Formaldehyde Products Liability Litigation*, 646 F.3d 185, 189 (5th Cir. 2011), which held that the FTCA's statute of limitations was jurisdictional. *Eckstein*, 672 F.3d at 315 n.12.

On appeal, we concluded that the rule of orderliness did not bind us to *Eckstein*. After we had decided *Eckstein*, in *United States v. Kwai Fun Wong*, the Supreme Court held that procedural rules like time bars are jurisdictional "only if Congress has clearly stated as much." 575 U.S. 402, 409 (2015). And *Wong* had "directly abrogated" *FEMA Trailer*, which was "a logical linchpin" of *Eckstein*. *Bonvillian*, 19 F.4th at 791. So we held that *Wong* "fundamentally change[d] the focus of the relevant analysis," *id.* at 792 (internal quotation marks omitted), because "the *Eckstein* panel largely assumed—by citation to a prior panel's unsupported assumption . . . and by analogy to this court's since-abrogated interpretation of the FTCA's statute of limitations—that [the] action's untimeliness deprives a district court of jurisdiction," while *Wong* said "that the essential hallmark of a jurisdictional procedural rule is a clear congressional statement, which is nowhere to be found in the Limitation Act." *Id.* at 793.

Unlike in *Bonvillian*, here, intervening Supreme Court decisions have not unequivocally established a clear rule for determining when a statute of limitations is triggered by the discovery rule. *Petrella* and *Rotkiske* left room for exceptions, including an exception upon which our court might have relied in *Graper*—the nature of the copyright infringement injury.[6]

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[6] *Graper*'s reference to out-of-circuit cases using the discovery rule is also different from *Eckstein*'s citation to *FEMA Trailer*.

This case is more like *Jacobs v. National Drug Intelligence Center* than *Bonvillian*. In *Jacobs*, the defendant appealed the district court's award of emotional-distress damages to the plaintiff under the Privacy Act of 1974, 5 U.S.C. § 552a, arguing that the plaintiff was limited to out-of-pocket expenses. *See* 548 F.3d at 377. In affirming the damages award, we adhered to an earlier decision of this court, *Johnson v. National Drug Intelligence Center*, 700 F.2d 971 (5th Cir. 1983), which held that the Privacy Act's damages remedy included emotional-distress damages, *id.* at 986; *see Jacobs*, 548 F.3d at 377-79. To overcome our rule of orderliness, the appellant argued that "post-*Johnson*, Supreme Court cases have construed other statutory waivers of sovereign immunity narrowly; and therefore, were *Johnson* to be re-decided today, our court's analysis of what damages are recoverable under the Privacy Act might reach a different outcome." *Jacobs*, 548 F.3d at 378. We declined to address whether the outcome in *Johnson* would be different under a present-day analysis because the fact that those intervening Supreme Court cases arguably changed the method for construing statutory waivers of sovereign immunity did not count as an "intervening change in law" that would permit us to overrule *Johnson*. *Id.* "[I]n *Jacobs*, we specifically rejected the idea that later Supreme Court and other decisions that were not directly on point could alter the binding nature of our prior precedent." *United States v. Traxler*, 764 F.3d 486, 489 (5th Cir. 2014). Here, *Rotkiske* is not "directly on

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Eckstein cited *FEMA Trailer* for an example of a jurisdictional statutory filing deadline and said that the Limitation Act's deadline was analogous. *See* 672 F.3d at 315 n.12. *Graper* cited out-of-circuit cases merely to show that other circuits had reached a similar conclusion as to § 507(b), not to adopt the reasoning of those cases.

point." *Id.* It leaves room for a Copyright Act discovery rule grounded in the nature of the copyright infringement injury.

3.

Both circuits that have considered whether *Petrella* and *Rotkiske* overturned their Copyright Act discovery rules have rejected the argument and stuck with their precedents.

First, in *Sohm v. Scholastic Inc.*, the Second Circuit "decline[d] to alter . . . [c]ircuit[] precedent mandating use of the discovery rule" despite *Petrella* and *Rotkiske*. 959 F.3d 39, 50 (2d Cir. 2020). In the Second Circuit, "a published opinion of a prior panel . . . is binding precedent . . . unless and until its rationale is overruled, implicitly or expressly, by the Supreme Court or [the Second Circuit] *en banc*." *Id.* (cleaned up). The Second Circuit emphasized that "*Petrella* specifically noted that it was not passing on the question of the discovery rule" and that *SCA Hygiene* "reaffirmed that position." *Id.* Thus, the Second Circuit concluded that "while some language in *Petrella* is perhaps consistent with the [rule that the clock starts running when the infringement occurs], in light of the Supreme Court's direct and repeated representations that it has not opined on the propriety of [these] rules, it would contravene settled principles of *stare decisis* for this Court to depart from its prior holding . . . on the basis of *Petrella*." *Id. Rotkiske* did "not persuade [the Second Circuit] to depart from this holding," either. *Id.* at 50 n.2. Because "*Rotskiske*'s holding . . . was based on the Court's interpretation of the FDCPA's text," not "the

Copyright Act's statute of limitations," the Second Circuit decided that "*Rotkiske* is inapposite here."[7] *Id.*

Second, in *Starz Entertainment, LLC v. MGM Domestic Television Distribution, LLC*, the Ninth Circuit affirmed that *Petrella* did not change its discovery rule. *See* 39 F.4th 1236, 1246 (9th Cir. 2022). The Ninth Circuit read *Petrella* as "acknowledg[ing] that the 'incident of injury' rule it described in the main text of the case is not the only accrual rule that federal courts apply in copyright infringement cases" and saying "nothing else about the discovery rule's continued viability." *Id.* at 1242 (cleaned up).

Thus, "[w]ere we to hold" that the discovery rule does not apply to § 507(b), "we would be the only court of appeals to do so after [*Petrella* and *Rotkiske*]." *Gahagan*, 911 F.3d at 304. "We are always chary to create a circuit split, including when applying the rule of orderliness," and we decline to do so in this case. *Id.* (cleaned up).

III.

For those reasons, the Supreme Court's decisions in *Petrella* and *Rotkiske* did not unequivocally overrule *Graper*. And under *Graper*, Martinelli's copyright infringement claims were timely because he brought them within three years of discovering Hearst's infringements. Accordingly, the judgment of the district court is AFFIRMED.

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[7] Although *Sohm* adhered to the Second Circuit's discovery rule precedents, following *Petrella*, *Sohm* also held that "a plaintiff's recovery is limited to damages incurred during the three years prior to filing suit." 959 F.3d at 52. Hearst does not argue that this court should adopt a similar interpretation of the Copyright Act, and because the parties have stipulated to the amount of damages to which Martinelli is entitled, this case does not present the issue of whether we should adopt the *Sohm* rule.

APPENDIX B

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

[Entered: July 05, 2022]

Civil Action No. H-21-3412

ANTONIO MARTINELLI,

Plaintiff,

v.

HEARST NEWSPAPERS, LLC *and*
HEARST MAGAZINE MEDIA, INC.,

Defendants.

ORDER

Pending before the Court are Defendants' Motion for Summary Judgment (Document No. 32) and Plaintiff's Motion for Summary Judgment (Document No. 33). Having considered the motions, submissions, and applicable law, the Court determines Plaintiff's motion should be granted and Defendants' motion denied.

I. Background

Plaintiff Antonio Martinelli ("Martinelli") is a French photographer who, in 2016, took a series of photographs (the "Photographs") of the interior and surrounding land of Guiness Castle in Ireland. Defendant Hearst Newspapers, LLC ("Hearst Newspapers") publishes the *Houston Chronicle* and the *San Antonio Express-News* and operates their associated websites, including Chron.com and MySA.com. On March 7, 2017, Martinelli

alleges Hearst Newspapers used the Photographs in a web-only news article about the sale of Guinness Castle. On March 14, 2017, Hearst Magazine Media, Inc., through its predecessor-in-interest, published five of the Photographs in a news article. In neither case were the Photographs used with Martinelli's permission.

On October 18, 2021, Martinelli filed suit against Hearst Newspapers. On November 12, 2021, Hearst Newspapers moved to dismiss. On February 11, 2022, Martinelli filed an amended complaint against both Hearst entities (collectively, "Hearst"), asserting two claims of direct copyright infringement and one claim of contributory copyright infringement. On March 14, 2022, the Court denied the motion to dismiss as moot. On April 22, 2022, the parties filed cross motions for summary judgment.

II. STANDARD OF REVIEW

Summary judgment is proper when "there is no genuine dispute as to any material fact and the movant is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(a). The Court must view the evidence in a light most favorable to the nonmovant. *Coleman v. Hous. Indep. Sch. Dist.*, 113 F.3d 528, 533 (5th Cir. 1997). Initially, the movant bears the burden of presenting the basis for the motion and the elements of the causes of action upon which the nonmovant will be unable to establish a genuine issue of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). The burden then shifts to the nonmovant to come forward with specific facts showing there is a genuine issue for trial. *See* Fed. R. Civ. P. 56(c); *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986). "A dispute about a material fact is 'genuine' if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Bodenheimer v. PPG*

Indus., Inc., 5 F.3d 955, 956 (5th Cir. 1993) (citation omitted).

But the nonmovant's bare allegations, standing alone, are insufficient to defeat a motion for summary judgment. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). The plaintiff cannot rest on his allegations to get to a jury without any significant probative evidence tending to support the complaint. *Nat'l Ass'n of Gov't Emps. v. City Pub. Serv. Bd. of San Antonio*, 40 F.3d 698, 713 (5th Cir. 1994). If a reasonable jury could not return a verdict for the nonmovant, summary judgment is appropriate. *Liberty Lobby, Inc.*, 477 U.S. at 248. The nonmovant's burden cannot be satisfied by conclusory allegations, unsubstantiated assertions, or "only a scintilla of evidence." *Turner v. Baylor Richardson Med. Ctr.*, 476 F.3d 337, 343 (5th Cir. 2007) (quoting *Little v. Liquid Air Corp.*, 37 F.3d 1069, 1075 (5th Cir. 1994)). It is not the function of the Court to search the record on the nonmovant's behalf. *Topalian v. Ehrman*, 954 F.2d 1125, 1137 n.30 (5th Cir. 1992). Thus, although the Court views "the evidence and all reasonable inferences drawn therefrom in the light most favorable to the nonmovant, the nonmoving party may not rest on the mere allegations or denials of its pleadings, but must respond by setting forth specific facts indicating a genuine issue for trial." *Goodson v. City of Corpus Christi*, 202 F.3d 730, 735 (5th Cir. 2000) (quoting *Rushing v. Kan. City S. R.R. Co.*, 185 F.3d 496, 505 (5th Cir. 1999)).

III. LAW & ANALYSIS

The parties agree on all triable issues of material fact, including damages. Accordingly, the Court takes as stipulated that Martinelli filed the original complaint more than three years after the infringement took place, but less than three years after Martinelli

discovered the infringement. The only dispute regards whether the Court should apply the discovery rule or the injury rule in evaluating the statute of limitations.

The owner of a copyright has the exclusive right to reproduce the copyrighted work. 17 U.S.C. § 106. To establish a prima facie case of copyright infringement, a copyright owner must prove: (1) ownership of a valid copyright; and (2) copying by the defendant of constituent elements of the work that are original. *See Bastite v. Lewis*, 976 F.3d 493, 501 (5th Cir. 2020) (citing *Gen. Universal Sys., Inc. v. Lee*, 379 F.3d 131, 141 (5th Cir. 2004) (per curiam)). "No civil action shall be maintained under [the portion of the United States Code concerning copyright law] unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b). "While causes of action generally accrue 'when a wrongful act causes some legal injury, even if the fact of the injury is not discovered until later, and even if all resulting damages have not yet occurred,' several equitable tolling doctrines may defer the accrual of a claim." *Aspen Tech., Inc. v. M3 Tech., Inc.*, 569 F. App'x 259, 264 (5th Cir. 2014) (per curiam) (citations and footnotes omitted). "Specifically, the discovery rule . . . appl[ies] to . . . infringement claims." *Id.* "A claim accrues once the plaintiff knows or has reason to know of the injury upon which the claim is based." *Grapey v. Mid-Continent Cas. Co.*, 756 F.3d 388, 393 (5th Cir. 2014) (cleaned up).[1]

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[1] Hearst argues the Court should adopt the injury rule to apply to civil copyright actions, meaning that the statute of limitations begins running when the infringing act takes place, regardless of when the copyright owner discovers the infringement. In support of this construction, Hearst points to two recent Supreme Court decisions. In the first, the Supreme Court held that a copyright "claim ordinarily accrues 'when a plaintiff has a complete and

There is no dispute between the parties as to any triable issues of material fact. The parties agree that Martinelli is the author of the Photographs, that they were created in January 2016, and the copyrights were

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present cause of action.'" *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663, 670 (2014) (cleaned up). The Supreme Court further states the statute of limitations begins to run "generally" at the point the plaintiff can file suit. *Id.* However, the opinion specifically goes on to note "we have not passed on the question" of the discovery rule, which "nine Courts of Appeal have adopted." *Id.* at 670 n.4. In the second opinion, the Supreme Court held that the statute of limitations begins to run on the date of injury (rather than discovery) for violations of the Fair Debt Collection Practices Act (the "FDCPA"), absent an applicable equitable doctrine. *Rotkiske v. Klemm*, 140 S. Ct. 355, 358 (2019). As Hearst acknowledges, the FDCPA statute of limitations uses different language than that of the Copyright Act. *Compare* 15 U.S.C. § 1692k(d) (requiring civil enforcement actions be brought "within one year from the date on which the violation occurs") *with* 17 U.S.C. § 507(b) (requiring civil actions be "commenced within three years after the claim accrued"). In its most recent opinions discussing the matter, the Fifth Circuit has continued to apply the discovery rule. *See Mid-Continent Cas. Co.*, 756 F.3d at 393 (applying the discovery rule in the context of copyright infringement); *Aspen Tech.*, 569 F. App'x at 264 (applying the rule in the context of infringement and misappropriation). One of these opinions even suggests that the Fifth Circuit considers the discovery rule an equitable tolling doctrine, which would make it an exception to *Rotkiske's* default rule for statutes of limitation. *Aspen Tech.*, 569 F. App'x at 264 ("[S]everal equitable tolling doctrines may defer the accrual of a claim. Specifically, the discovery rule and the doctrine of fraudulent concealment apply to both misappropriation and infringement claims."). The Supreme Court has not squarely held the discovery rule does not apply to copyright cases (in *Petrella*, the injury rule is said to "ordinarily" or "generally" apply), and the Fifth Circuit has not backed away from its application in its most recent opinions. Accordingly, the Court determines the discovery rule still governs the Copyright Act, and the statute of limitations thus began to run when Martinelli learned of the infringement.

registered in 2019 and 2020. Hearst published the Photographs without Martinelli's permission on March 7, 2017, March 13, 2017, and March 14, 2017. Hearst also agrees Martinelli discovered these uses by Hearst on various dates ranging from November 17, 2018 through May 28, 2020, and could not have discovered the uses earlier through reasonable diligence. Hearst concedes it infringed on Martinelli's copyrights. The parties agree Martinelli is entitled to recover a total of $10,000 if the Court finds the infringement fell within the statute of limitations. Martinelli filed his original complaint October 18, 2021 and his amended complaint February 11, 2022. Hearst does not dispute the allegations in the amended complaint, or that the amended complaint relates back to October 18, 2021. Because Martinelli discovered the infringement within three years of the date he first filed suit, the Court finds Hearst is liable to Martinelli for the infringement of the Photographs. Accordingly, Martinelli's motion is granted and Hearst's motion is denied.

IV. CONCLUSION

Based on the foregoing, the Court hereby

ORDERS that Defendants' Motion for Summary Judgment (Document No. 32) is DENIED. The Court further

ORDERS that Plaintiff's Motion for Summary Judgment (Document No. 33) is GRANTED. The Court will issue a separate final judgment.

SIGNED at Houston, Texas, on this 5 day of July, 2022.

/s/ David Hittner
DAVID HITTNER
United States District Judge

APPENDIX C

UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

[Filed: September 22, 2023]

No. 22-20333

ANTONIO MARTINELLI,

Plaintiff-Appellee,

versus

HEARST NEWSPAPERS, L.L.C.;
HEARST MAGAZINE MEDIA, INCORPORATED,

Defendants-Appellants.

Appeal from the United States District Court
for the Southern District of Texas
USDC No. 4:21-CV-3412

ON PETITION FOR REHEARING EN BANC

Before BARKSDALE, SOUTHWICK, and HIGGINSON, *Circuit Judges*.[*]

PER CURIAM:

Treating the petition for rehearing en banc as a petition for panel rehearing (5TH CIR. R. 35 I.O.P.), the petition for panel rehearing is DENIED. Because no

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[*] Judge Carolyn Dineen King, Patrick E. Higginbotham, James L. Dennis, Edith Brown Clement, did not participate in the consideration of the rehearing en banc.

member of the panel or judge in regular active service requested that the court be polled on rehearing en banc (FED. R. APP. P. 35 and 5TH CIR. R. 35), the petition for rehearing en banc is DENIED.

APPENDIX D

UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

[Filed: April 13, 2023]

No. 22-20333

ANTONIO MARTINELLI,

Plaintiff-Appellee,

versus

HEARST NEWSPAPERS, L.L.C.;
HEARST MAGAZINE MEDIA, INCORPORATED,

Defendants-Appellants.

Appeal from the United States District Court
for the Southern District of Texas
USDC No. 4:21-CV-3412

Before BARKSDALE, SOUTHWICK, and HIGGINSON, *Circuit Judges*.

JUDGMENT

This cause was considered on the record on appeal and was argued by counsel.

IT IS ORDERED and ADJUDGED that the judgment of the District Court is AFFIRMED.

IT IS FURTHER ORDERED that defendants-appellants pay to plaintiff-appellee the costs on appeal to be taxed by the Clerk of this Court.

[SEAL]

United States Court of Appeals
Fifth Judicial Circuit

Certified as a true copy and
issued as the mandate on
Oct. 02, 2023

Attest: /s/ Lyle W. Cayce

Clerk, U.S. Court of Appeals,
Fifth Circuit